

Abridged interim unaudited financial statements
for the period ended June 30, 2018

Revenue
MUR 1,992M
▲ 8%*

EBITDA
MUR 525M
▲ 21%*

PAT
MUR 116M
▲ 374%*

Occupancy
67.5%
▼ -5%*

RevPAR
MUR 10,264
▲ 4%*

TRevPAR
MUR 16,780
▲ 2%*

* 6 months 2018 compared to 6 months 2017

Owned and managed hotels

CONSTANCE HOTELS SERVICES LTD AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS					
THE GROUP - (MUR'000)	Half year ended		Quarter ended		Year ended
	Jun 2018	Jun 2017	Jun 2018	Jun 2017	Dec 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	1,992,311	1,836,678	683,012	706,020	3,766,189
Earnings before interest, taxation, depreciation and amortisation	525,332	435,187	(1,973)	16,558	861,474
Depreciation and amortisation	(261,501)	(241,901)	(123,817)	(123,276)	(469,665)
Operating profit/(loss)	263,831	193,286	(125,790)	(106,718)	391,809
Finance costs	(167,513)	(169,450)	(87,485)	(84,263)	(331,442)
Share of results of associates	28,567	20,689	2,237	10,557	81,358
Profit/(loss) before taxation and pre-opening expenses	124,885	44,525	(211,038)	(180,424)	141,725
Pre-opening expenses	-	-	-	-	(8,491)
Profit/(loss) before taxation	124,885	44,525	(211,038)	(180,424)	133,234
Income tax expense	(8,699)	(20,014)	(2,988)	(7,645)	(58,892)
Profit/(loss) for the period/year	116,186	24,511	(214,026)	(188,069)	74,342
Attributable to:					
Owners of the parent	105,893	13,348	(217,126)	(193,168)	54,781
Non-controlling interests	10,293	11,163	3,100	5,099	19,561
	116,186	24,511	(214,026)	(188,069)	74,342
Earnings/(loss) per share (MUR)	0.97	0.12	(1.98)	(1.76)	0.50

COMMENTS

1 Consolidation and Accounting Standards

The abridged financial statements for the half year and quarter ended 30 June 2018 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2017, except for relevant amendments to published standards issued and which are effective as from 01 January 2018. This interim report complies with IAS 34.

2 General Comments

During the second quarter of 2018, tourist arrivals experienced a significant drop in all our main destinations. On a cumulative basis, for the first six months, arrivals for the region remained positive. Mauritius and Seychelles cumulated growths of 3.4% and 1.3% respectively whereas Maldives recorded a higher growth of 10.5%.

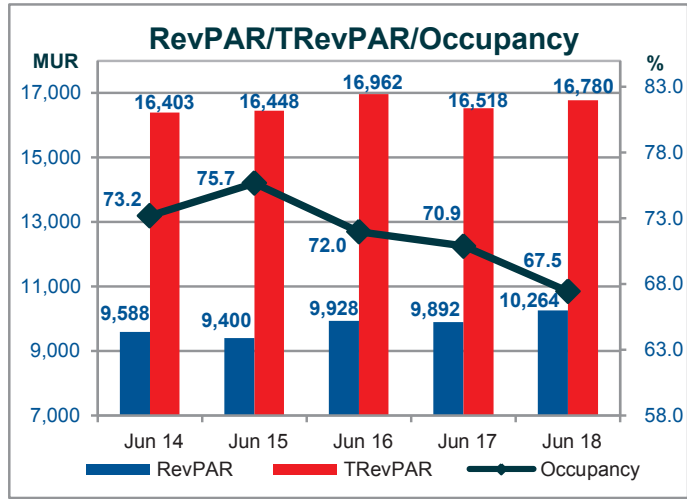
Our Mauritius and Maldives properties achieved better overall performance than last year although results were adversely impacted by a decrease in arrivals in the destinations during the second quarter. Our properties in Seychelles continued to perform satisfactorily by maintaining market share. Combined occupancies of our owned and managed hotels attained 67.5% (2017: 70.9%) but with an enhanced RevPAR (3.8% increase) and Trev PAR (1.6% increase) due to the pricing strategy in place.

3 Results

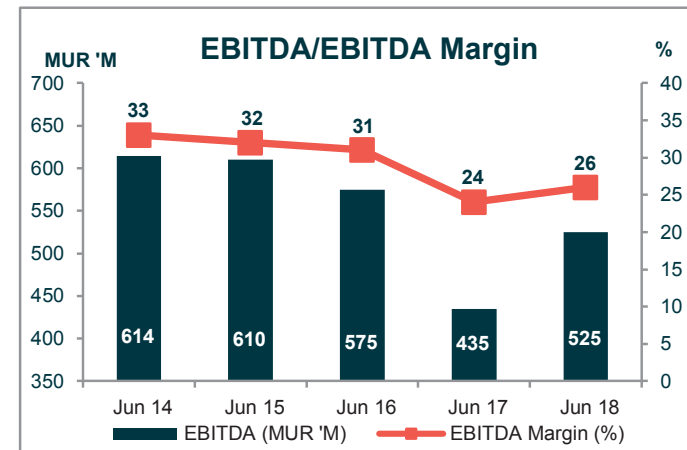
Group performance was better than last year with improved revenue of MUR 1,992.3 million (2017: MUR 1,836.7 million) and EBITDA of MUR 525.3 million (2017: MUR 435.2 million). Finance costs were MUR 167.5 million (2017: MUR 169.5 million), and, share of results of associates progressed to MUR 28.6 million (2017: MUR 20.7 million) due to the favourable operating performances of our Seychelles and Madagascar entities.

Profit for the period was MUR 116.2 million (2017: MUR 24.5 million) after accounting for taxation of MUR 8.7 million (2017: MUR 20.0 million).

Operational performance of all hotels owned and managed for the period ended 30th June



EBITDA/EBITDA margin for period ended 30th June



4 Outlook

For the third quarter, Mauritius and Seychelles are expected to continue to achieve positive growth in tourist arrivals, which should help uphold favourable results for our properties. The increase in tourist arrivals in the Maldives should also be maintained, however, the performance of our properties could be subdued due to rate pressures and increasing hotel rooms supply. The performance for the rest of the year is on track on the basis of current bookings and outlook for our key destinations.

By order of the Board

La Gaieté Services Ltd
Secretary

14 August 2018

STATEMENT OF PROFIT OR LOSS					
THE GROUP - (MUR'000)	Half year ended		Quarter ended		Year ended
	Jun 2018	Jun 2017	Jun 2018	Jun 2017	Dec 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	1,992,311	1,836,678	683,012	706,020	3,766,189
Earnings before interest, taxation, depreciation and amortisation	525,332	435,187	(1,973)	16,558	861,474
Depreciation and amortisation	(261,501)	(241,901)	(123,817)	(123,276)	(469,665)
Operating profit/(loss)	263,831	193,286	(125,790)	(106,718)	391,809
Finance costs	(167,513)	(169,450)	(87,485)	(84,263)	(331,442)
Share of results of associates	28,567	20,689	2,237	10,557	81,358
Profit/(loss) before taxation and pre-opening expenses	124,885	44,525	(211,038)	(180,424)	141,725
Pre-opening expenses	-	-	-	-	(8,491)
Profit/(loss) before taxation	124,885	44,525	(211,038)	(180,424)	133,234
Income tax expense	(8,699)	(20,014)	(2,988)	(7,645)	(58,892)
Profit/(loss) for the period/year	116,186	24,511	(214,026)	(188,069)	74,342
Attributable to:					
Owners of the parent	105,893	13,348	(217,126)	(193,168)	54,781
Non-controlling interests	10,293	11,163	3,100	5,099	19,561
	116,186	24,511	(214,026)	(188,069)	74,342
Earnings/(loss) per share (MUR)	0.97	0.12	(1.98)	(1.76)	0.50

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
THE GROUP - (MUR'000)	Half year ended		Quarter ended		Year ended	
Jun 2018	Jun 2017	Jun 2018	Jun 2017	Dec 2017		
Unaudited	Unaudited	Unaudited	Unaudited	Audited		
Profit/(loss) for the period/year	116,186	24,511	(214,026)	(188,069)	74,342	
Other comprehensive income for the period/year	93,269	(99,885)	72,284	(59,063)	1,233,924	
Total comprehensive income for the period/year	209,455	(75,374)	(141,742)	(247,132)	1,308,266	
Attributable to:						
Owners of the parent	197,693	(84,869)	(146,649)	(251,091)	1,291,721	
Non-controlling interests	11,762	9,495	4,907	3,959	16,545	
	209,455	(75,374)	(141,742)	(247,132)	1,308,266	
STATEMENT OF FINANCIAL POSITION						
THE GROUP - (MUR'000)	Jun 2018	Jun 2017	Dec 2017			
	Unaudited	Unaudited	Audited			
Assets						
Non-Current Assets						
Property, plant and equipment	8,222,583	7,021,484	8,296,015			
Intangible assets	1,153,312	1,187,280	1,147,427			
Investments in associates	1,174,438	868,392	1,142,851			
Financial assets at fair value through other comprehensive income	545	545	545			
Non-current receivables	51,745	-	10,800			
Deferred tax assets	94,475	100,786	92,075			
	10,697,098	9,178,487	10,689,713			
Current Assets	1,364,564	1,230,825	1,486,220			
Total Assets	12,061,662	10,409,312	12,175,933			
Equity and Liabilities						
Owners' interest	5,897,188	4,352,619	5,699,495			
Non-controlling interests	58,103	40,906	64,734			
Total equity	5,955,291	4,393,525	5,764,229			
Non-Current Liabilities						
Borrowings	3,959,817	4,037,141	3,915,301			
Deferred tax liabilities	58,820	63,239	61,295			
Retirement benefit obligations	186,396	137,906	186,396			
	4,205,033	4,238,286	4,162,992			
Current Liabilities	1,901,338	1,777,501	2,248,712			
Total Liabilities	6,106,371	6,015,787	6,411,704			
Total Equity and Liabilities	12,061,662	10,409,312	12,175,933			
Net Asset Value per share (MUR)	53.78	39.69	51.98			
STATEMENT OF CASH FLOW						
THE GROUP - (MUR'000)	Jun 18	Jun 17	Dec 2017			
	Unaudited	Unaudited	Audited			
Net cash generated from operating activities	240,904	170,638	444,067			
Net cash used in investing activities	(60,355)	(60,255)	(410,863)			
Net cash (used in)/generated from financing activities	(260,173)	(20,993)	3,425			
(Decrease)/increase in cash and cash equivalents	(79,624)	89,390	36,629			
Cash and cash equivalents at beginning of the period/year	(404,853)	(441,482)	(441,482)			
Cash and cash equivalents at end of the period/year	(484,477)	(352,092)	(404,853)			
STATEMENT OF CHANGES IN EQUITY						
Attributable to owners of the parent						
THE GROUP - (MUR'000)	Stated capital	Other reserves	Retained earnings	Owners' interest	Non-controlling interests	Total
Balance at January 1, 2018	2,153,395	3,017,162	528,938	5,699,495	64,734	5,764,229
Total comprehensive income for the period	-	91,800	105,893	197,693	11,762	209,455
Dividends	-	-	-	-	(18,393)	(18,393)
Balance at June 30, 2018	2,153,395	3,108,962	634,831	5,897,188	58,103	5,955,291
Balance at January 1, 2017	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
Total comprehensive income for the period	-	(98,217)	13,348	(84,869)	9,495	(75,374)
Dividends	-	-	-	-	(3,994)	(3,994)
Balance at June 30, 2017	2,153,395	1,660,341	538,883	4,352,619	40,906	4,393,525
Balance at January 1, 2017	2,153,395	1,758,558	525,535	4,437,488	35,405	4,472,893
Issue of shares to non-controlling interests	-	-	-	-	20,010	20,010
Total comprehensive income for the year	-	1,236,940	54,781	1,291,721	16,545	1,308,266
Transfer	-	21,664	(23,965)	(2,301)	-	(2,301)
Dividends	-	-	(27,413)	(27,413)	(7,226)	(34,639)
Balance at December 31, 2017	2,153,395	3,017,162	528,938	5,699,495	64,734	5,764,229
GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)	6 months to Jun 2018			6 months to Jun 2017		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	1,103,239	889,072	1,992,311	940,786	895,892	1,836,678
Operating profit	205,100	58,731	263,831	146,064	47,222	193,286

The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, La Gaieté Services Ltd, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Constance Hotels Services Ltd accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

BRN: C06004335